

INTRODUCTION

This Chapter describes DHFS State generated adjustments, which appear, on the DMT-CARS-603 report. This chapter does not cover all DHFS state generated adjustments. It only includes those for which we had documentation from the Divisions as of this printing.

This Chapter includes the following categories of state generated adjustments:

- **State Institutions**
- **Delegated Accounts**
- **Pooled Loan Programs**
- **Audit Adjustments**

STATE INSTITUTIONS

These profiles represent transactions related to inpatient services provided by the Division of Care and Treatment Facilities at the Mental Health Institutes and the Centers for the Developmentally disabled. The Billing and Collections Unit processes monthly invoices for care provided at the Mental Health Institutes. If payment has not been received within 60 days of the invoice, the amount due will be withheld. For convenience, Counties have the option to have the Billing and Collections Unit process all transactions through CARS. For inpatient care at the Centers, these profiles will be used when the client does not have Medical Assistance and there is an unpaid balance.

CARS PROFILES

903	Intensive Treatment Unit
947	Mendota Mental Health Institute
948	Winnebago Mental Health Institute
949	Central Wisconsin Center
953	Northern Wisconsin Center
954	Southern Wisconsin Center
957	Charge Back

DELEGATED ACCOUNTS

The Billing and Collections Unit receives payments on previously Delegated Accounts. The County portion of payments is processed through CARS profile 945.

CARS PROFILE

945	50% Delegated Account – 51 Board
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Division Responsible: Division of Management and Technology

Contact: Troy Kitrow (608) 261-5984

**POOLED LOAN PROGRAM
CARS PROFILES 584 AND 922**

I. Background

The Pooled Loan program is a complex program involving two contracts and a loan guarantee. The purpose of the program is to obtain a lower interest rate for vendors who provide services for a county, by having the state guarantee the loan.

The pooled loan program involves the following parties and agreements:

1. A vendor, that provides services under contract with the county: The vendor wishes to obtain a loan from a bank.
2. The County, contracts with the vendor for services: In the contract with the vendor, there must be specific language or an amendment covering participation in the pooled loan program.
3. The State contracts with the county: Under the Consolidated State/County contract, there is specific language requiring the counties participating in the pooled loan program to have language about participation. The state acts as the guarantor of the loan the bank gives to the vendor.
4. The bank which makes the loan to the vendor and receives loan payments from the state:
By virtue of the State acting as guarantor of the loan, the interest rate charged the vendor by the bank, is lower than the interest rate the vendor would have to pay if only the vendor is liable for repayment of the loan.

II. CARS Adjustments for the Pool Loan Program

The following example illustrates how the payments are made and adjustments made by the state in the CARS system for the pool loan program.

1. The state pays the bank, which originated the loan to vendor, \$100 per month, on behalf of vendor.
2. The vendor, bills County \$1,000 for providing services for AODA treatment.
3. County pays vendor \$900. (\$1,000, vendor's reported expenditures, minus \$100, the loan payment made by the State, on behalf of vendor, to the bank.)
4. The County reports expenditures to the state of \$1,000 on Profile 561.

POOLED LOAN PROGRAM
CARS PROFILES 584 AND 922 (continued)

5. The CARS Unit makes the following adjustments:
- A1. Profile 561: - \$100 This entry eliminates the interest expense being reimbursed through a payment on Profile 561.
 - A2. Profile 584: + \$100 This entry adds to County's expenditures the interest paid by the State to the bank.
 - B. Profile 922: - \$100 This entry is made to zero out the entry made to Profile 584 so no cash payment is made to the County.
 - C. Profile 922: + \$100 This entry records the loan payment to the bank. This entry is made only for the bank, not the Counties.

The contract amount for each participating county is in Appendix AF of the Consolidated State/County Contract. The contract amount is also shown on Profile 584.

Division Responsible: Division of Children and Family Services

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**DHFS AUDIT ADJUSTMENTS
CARS PROFILE 950**

As part of the audit resolution process, the DHFS makes audit adjustments in the current year for prior year's net adjustments.

CARS Profile 950 (PRIOR AUDIT ADJ-CONSOL) is used to adjust the payment to the county for the net amount resulting from the audit resolution process for any DHFS program. Although the net adjustment recorded in Profile 950 may involve multiple county agencies, the Department makes the adjustment to the current county Human Service Department agency type. An audit adjustment will either increase or decrease the county's payment from the State for that month.

When an audit adjustment is made in CARS, a copy of the final audit resolution letter is sent to the County Clerk with the DMT-625A, which includes the adjustment. The Human Service agency receives a copy of the final audit resolution letter along with the DMT-CARS-603, which includes the adjustment. The County Clerk is responsible for recording the adjustment on the county books based on the breakdown provided in the final audit resolution letter from the DHFS Office of Program Review and Audit(OPRA).

Questions about the audit resolutions should be directed to the DHFS Office of Program Review and Audit, or the contact person identified in the final resolution letter.